



Piedmont
Natural Gas

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October 4, 2006

VIA OVERNIGHT DELIVERY

2005-125-6

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SC PUBLIC SERVICE
COMMISSION

Mr. Charles Terreni
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Dear Mr. Terreni:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.
Pursuant to S.C. Code §58-5-430

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending June 30, 2006, for Piedmont Natural Gas Company, Inc. Unfortunately, the Company failed to meet the 9/15 filing deadline due to issues related to reassignment of personnel. We regret any inconvenience caused by the delay.

Please accept the original and 25 copies for filing and return a file-stamped copy to me in the self-addressed, stamped envelope. If you have any questions about this filing, you may reach me at 704.731.4242.

Sincerely,

David R. Carpenter
Managing Director – Regulatory Affairs

Enclosures

c: ORS (5 copies via overnight delivery)
Scott Elliott
James H. Jeffries IV

Net Operating Income and Rate of Return
For The Twelve Months Ended June 30, 2006
South Carolina
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Books</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 216,816,440		\$ 216,816,440
Other Operating Revenues	853,089		853,089
	=====	=====	=====
Total Operating Revenue	217,669,529		217,669,529
	=====	=====	=====
Operating Expenses			
Cost of Gas	\$ 150,099,442		\$ 150,099,442
Other Operation & Maintenance	31,364,876		\$ 31,364,876
Depreciation	11,045,245		\$ 11,045,245
General Taxes	6,579,132		\$ 6,579,132
State Income Taxes	653,020		653,020
Federal Income Taxes	4,319,230		4,319,230
Amort. of ITC	(60,805)		(60,805)
	=====	=====	=====
Total Operating Expenses	\$ 204,000,139	\$ -	\$ 204,000,139
	=====	=====	=====
Net Operating Income	\$ 13,669,390	\$ -	\$ 13,669,390
	=====	=====	=====
Interest on Customer Deposits	(110,391)		(110,391)
Amortization of Debt Redemption Premium	(14,349)		(14,349)
AFDUC	460,324		460,324
Customer Growth	63,362		63,362
	=====	=====	=====
Net Operating Income For Return	\$ 14,068,336	\$ -	\$ 14,068,336
	=====	=====	=====
Original Cost Rate Base			
Plant in Service	\$ 344,615,411		\$ 344,615,411
Accumulated Depreciation	(124,515,520)		(124,515,520)
	=====	=====	=====
Net Plant in Service	\$ 220,099,891	\$ -	\$ 220,099,891
Add:			
Construction Work in Progress	9,349,299		9,349,299
Materials and Supplies	21,015,728		21,015,728
Cash Working Capital	2,632,659		2,632,659
Deduct:			
Customer Advances for Construction	3,599		3,599
Customer Deposits	3,441,239		3,441,239
Accumulated Deferred Income Taxes	31,058,898		31,058,898
Unclaimed Funds	373,722		373,722
	=====	=====	=====
Total Original Cost Rate Base	\$ 218,220,119	\$ -	\$ 218,220,119
	=====	=====	=====
Return on rate base	6.45%		6.45%
	=====	=====	=====

Net Operating Income and Rate of Return
For The Twelve Months Ended June 30, 2006
South Carolina
Page 2 of 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Capitalization	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 620,360,494	0	\$ 620,360,494	39.35%	\$ 85,877,952	6.82%	2.68%	\$ 5,856,018
2. Common Equity	956,006,163	0	956,006,163	60.65%	132,342,166	6.21%	3.76%	8,212,319
3. Total	\$ 1,576,366,656	0	\$ 1,576,366,656	100.00%	\$ 218,220,118		6.45%	\$ 14,068,336